Opening Speech by the President.

Mr. President:

HONOURABLE MEMBERS;—

1. Having delivered the Message of His Highness I would like to extend my own personal greetings to the Hon'ble Members and to welcome them to their deliberations in the Fourth Council. It may probably seem inappropriate that one who is comparatively a stranger to the State should venture to welcome the representatives of the State people. My excuse in venturing to extend a welcome to you on my own behalf is that though I am a stranger in the State I am no stranger to the Legislature: it has been my privilege during the last fifteen years to have sat in one Local Legislative Council and in the Indian Legislative Assembly. During the eleven years that I had the good fortune to represent a constituency in the Assembly I had the unique privilege of occupying the Chair of the Assembly for a period of over two years. My association with these Legislatures establishes a bond of unity between me and Hon'ble Members which entitles me to address them as fellow-members and extend to them a hearty welcome. It is a curious coincidence that my association with the administration of your State has again imposed upon me the task of presiding over a Legislature. The Presidentship in the Indian Legislative Assembly is no doubt a responsible task for any one to undertake. I must however admit that the position that I occupy to-day as the Speaker of your Legislative Council is in a sense even more difficult and delicate than the one that it was my privilege to occupy at Delhi. While my office at Delhi placed me in a position of detachment from political parties and the Government of the country, I am here discharging the dual function of the Head of the Administration and of the President of the Legislative Council. The President of a Legislature is and ought to be above criticism. I hope that my conduct in the Chair of the Cochin Legislative Council will be such as to inspire confidence in every section of the House. I cannot at the same time forget that sitting in this Chair I would have to listen to criticisms of actions and doings for which I, as the Head of the Administration, must be held responsible. I hope however that, with your co-operation and goodwill, I may successfully discharge this difficult dual function.

Legislative Programme.

2. I am addressing you to-day not as President of the Legislative Council, but as the Head of the Administration of the State. It is usual, on the opening day of a new Council, for the Head of the Administration to indicate to the House a forecast of the programme of Legislation that Government have in view

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immediately and to give a general review of the outstanding features of the administration since the Council last met. The present Session will, as the Hon'ble Members are aware, be devoted to a discussion of the budget, the last day being allotted for non-official business. In the succeeding Sessions it is the intention of Government to place before the Council a bill to amend the Code of Criminal Procedure II of 1086. The existing Regulation was drafted on the lines of the British Indian Code of 1898. Since then the British Code has undergone various amendments most of which are material ones Government have received representations that our Code should be brought into line with the corresponding British Indian Code and it is the intention of Government to place before the Council the necessary legislation to secure this object. Government also intend to place before the Council a bill to regulate the Cochin Provident Funds. Government consider that more extensive protection should be afforded to those who deposit in provident funds and their dependents. It is necessary to place the provident fund instituted by Municipal Councils and certain other public institutions on the same footing as the Government provident fund with regard to the freedom from attachment and other interference by third parties. The bill which will be placed before the Council seeks to achieve these objects. In addition to these two important pieces of legislation, Government also contemplate to place bills to amend the Cochin Patent and Designs Regulation, the Regulation for the Contempt of Courts, the Telephone Regulation and the Municipal Regulation.

3. The Legislative programme that I have indicated is what Government have immediately in view. Government however feel that the consolidation and codification of the laws in the State must be undertaken on a more comprehensive basis. Many of our Regulations are out of date and require considerable amendments to bring them in line with corresponding legislation in British India. There is also a considerable gap in the Legislative field which has to be filled up. It is time that the Cochin State imposed Legislative provision to maintain the same standard of working conditions enjoyed by the industrial workers in British India. In course of time Government hope to undertake this task of codification on a comprehensive basis and it is expected that a suitable machinery will be soon set up.

Administrative Reforms.

4. Having given you a brief indication of the Legislative programme of Government I shall now turn my attention to a review of some of the more important outstanding features of the administration. Within a very short time of my assumption of

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office I realised that the administrative machinery of the State required a complete reorganisation. The system of administration as it exists to-day is based upon a highly centralised scheme with all powers, including the minutest detail, in the hands of the Diwan. Such centralisation must have the inevitable result of unnecessarily increasing the volume of work in all the departments of the State. The Huzur Secretariat as constituted at present cannot compare favourably in organisation with the corresponding Secretariats of other Governments. Under modern Governments in which the Head of the Administration changes from time to time a strong and well organised Secretariat is the bulwark of the whole administrative system. It carries on the day-to-day administration of the State and with the expert knowledge of its officers, it is in a position to offer advice to the Head of the Administration on the various questions that concern the Government. The Huzur Office is not equipped in a manner to discharge these functions. With a view to bring about the necessary administrative changes I took the advice of Heads of Departments and other Officers of the State with great experience and as a result of this examination Government have now issued an order which will be published this evening. The main features of the scheme are firstly to delegate greater powers to Heads of Departments in matters of administrative routine and secondly to strengthen the Secretariat. In the delegation of more powers to the Heads of Departments great care has been taken to see that central co-ordination and control are not sacrificed. In the Secretariat, in place of the Secretary and Assistant Secretary to the Diwan, one Secretary to Government and one joint Secretary with two Deputy Secretaries will be created. A new Department called the "Finance Department" will be created with a view to exercise more effective check on all proposals for expenditure.

5. The opportunity created by these administrative reorganisations will be availed of to constitute in the Secretariat a section for Publicity. In the interest of the Government as well as in the interest of the public it is necessary to ensure that correct information on matters of policy and administration is supplied to the Press. The searchlight of publicity must inevitably be thrown on every action of Government and no Government worth its name should shirk such examination: in fact Governments stand to gain when due publicity is given to all their actions. It is proposed to have a Press Room in the Secretariat to which representatives of the Press will be invited from time to time to receive informatian and elucidation of particular policies and actions. In this task I would invite the co-operation of the Press of the State. False and irresponsible information given in the Press not merely mislead the public but detrimentally affects the prestige of the paper responsible for the dissemination of such news. I hope that the representatives of the

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Press in the State will make the fullest use of the opportunity that will now be open to them and take the trouble of verifying the correctness or otherwise of the news which reach them. Such co-operation on the part of the Press will be useful to the public and would enhance the prestige of the Press itself.

6. As a part of the administrative reorganisation Government have amalgamated the Departments of the Public Health and Village Panchayats In the first instance this measure is intended to be an experimental one for one year. If the results justify the experiment it will be extended to certain other departments. Government feel that such amalgamation will result not merely in economy but in greater efficiency. If Hon'ble Members will go through carefully the Proceedings embodying all these changes they will find that the reorganisations have been effected without any extra expenditure.

Educational Activities.

7. I shall just say a word about the Education Department before I pass on to a survey of the economic condition of the State. The extension works in the Maharaja's College have been completed and the sanction of the University has been obtained for affiliation in the B Sc. Course. Government hope that with the extension of the building and laboratory equipment the Maharaja's College will prove to be one of the most efficient under the Madras University. There is one other question relating to education on which I know Hon'ble Members are greatly interested—I refer to the report on Educational Survey. The numerous interpellations that have been put down for this Session are indications of the impatience of the Hon'ble Members at what they consider to be delay on the part of the Government in passing final orders on the report. I hope that what I say to-day will enable Hon'ble Members to understand the view that Government take on this question. The two Survey Reports, one by the Director of Public Instruction and the other by the mixed Committee of officials and non-officials, which are now in the hands of Government, are indeed very valuable documents. The problems that they have dealt with are so vast and numerous that it is not possible nor indeed is it advisable on the part of the Government to pass one comprehensive order on the whole report. The entire field of education representing Primary, Secondary and Collegiate education is so vast that it is impossible for any Government to bring about far-reaching changes with a stroke of the pen. This does not mean that the labours of those who produced these valuable documents are to go in vain: these reports will be a valuable guide to Government in shaping policies and programme from time to time. Government do not therefore propose to pass

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any comprehensive order on all the various problems covered in the reports.

Economic Condition.

8. I shall now come to the economic condition of the State which after all must form the basis of all schemes of improvement and development. During the last five years the world has been in the grip of an unprecedented economic depression and the difficulties through which the State have passed are not due to any problems peculiar to the State alone. The phenominal fall in the price of agricultural products is the most outstanding feature of the period of depression. The prophets of recovery have been falsified on many occasions, great schemes intended to remedy the mal-adjustment between cost and price have proved futile; and the lesson has been brought home that there are no quack remedies for the economic evils from which the world suffers to-day. Though there are distinct signs of recovery, it will be rash to predict that the depression has completely lifted. Certain countries have no doubt come out successfully of one phase of the depression. The period of depression may be said to have two phases; one resulting in high money rates, dislocation of exchanges, bank difficulties and budget deficits and the other the fall in the price of commodities. Many countries of the world, especially those constituting the British Commonwealth, have come out successfully of the first phase. Under the sound financial guidance of England the British Commonwealth has successfully tided over these difficulties. India has shared this good fortune with these countries. The Central Government in India and most of the Provincial Governments have now balanced budgets; the exchange has become stable, the external assets of the Government of India have placed them in an impregnable position in the matter of their foreign obligations, and the money rates have been easy. The successful issue of the recent 3 per cent. Sterling Loan of the Government of India is an indication not merely of the financial stability of India as a whole but of the strong credit that it commands in the outside world. That the 3% loan of the Government of India for 10 million pounds should have been over-subscribed to the extent of 72 million pounds in the course of ten minutes is the strongest proof of our financial stability. I am referring to this aspect of the question because the financial position of the Government of India will have its immediate repercussions on the financial position of every State in India including Cochin.

9. Though we have successfully come out of the first phase of the economic depression we are still feeling the effects of the catastrophic fall in the price of agricultural commodities. The

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seriousness of this aspect of the problem can be realised from the figures given in the review of the trade of the world issued by the League of Nations. As compared with 1929 in terms of gold the value of the trade of the world has fallen by 56%. Every agriculturist in the State is still groaning under this handicap. The price of paddy, coconut and rubber which are the main products of the State have not yet shown any indication of an advance. It is no wonder that the agriculturist feels it difficult to maintain himself, leave alone his capacity to meet his obligations.

Relief Measures.

10. The land revenue remission of 12½% which has been granted in the current year will be continued in the next year also. In addition to this general remission, liberal remissions have also been given in view of the acute drought from which the crops suffered in certain parts of the State. Besides these measures, Government announced during the last budget a proposal to advance Rs 20 lakhs as loans to agriculturists. Unfortunately the machinery set up for the disbursement of the loan had to face so many difficulties that it has not been possible to grant loans to any appreciable extent even now. I would ask Hon'ble Members to believe me that it will not be fair to throw the blame light-heartedly on the staff employed for the purpose. In their actual working they had to face problems and difficulties which were not contemplated at the time. The Examination of the title of the applicants to the properties has brought to the forefront innumerable practical difficulties. In addition to this evidence has come to light that the proposal to advance Rs. 15 lakhs out of the Rs. 20 lakhs in the form of Government bonds would bristle with obstacles. Ever since I took charge I have been devoting my special attention to this problem of the special loan. In view of the serious difficulties it has been ordered that at least Rs. 5 lakhs, all in cash, should be disbursed as expeditiously as possible. I am convinced that, in spite of all the expedition and all the enthusiasm, the machinery set up for this purpose is fundamentally defective. Government have therefore come to the conclusion that the only solution of the problem is to establish a Land Mortgage Bank to undertake this work of advancing loans to agriculturists. We have invited some experts who have experience of the working of Land Mortgage Banks to give us the necessary advice and to prepare a scheme for the starting of a Bank in the State. Sir M. Ramachendra Rao the President of the Central Land Mortgage Bank and Mr. C. Gopala Menon the Treasurer have kindly agreed to visit the State in this connection and help me in making a scheme. It is hoped that in the next few months it would be possible to establish a Land

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Mortgage Bank which will take over this work. Government will no doubt be prepared to stand behind the bank and afford every possible assistance, financial and otherwise. It is possible that when this scheme is ready, you would be asked to pass the necessary Legislation to inaugurate the Bank.

11. The starting of a Bank and the financing of it to bring it to a working condition must necessarily take some time. Government are fully alive to the serious difficulties with which the agriculturist is faced in meeting his obligations. There is the danger of his losing his lands irrevocably. Government have therefore decided that the agriculturists must be given some temporary respite for a short period. For this purpose His Highness has graciously been pleased to issue a Proclamation for the temporary relief of agricultural debtors. This Proclamation will be issued to-day and will have for its object the grant of temporary relief to agriculturist debtors in the payment of money due under decrees of courts. The operative portion of the Proclamation provides that for a period of six months from to-day no steps will be taken in any Court in Cochin for the recovery of money due under a decree against an agriculturist for money alone or for money charged on immovable property. The Proclamation will apply in the case of decrees passed within the past six years. Care has however been taken to see that the security of the creditor is not in any way impaired. The Proclamation provides that it will not prevent the attachment of immovable property in execution of decrees. In issuing this Proclamation Government have very carefully kept in view the two-fold objects to be aimed at in such cases; firstly temporary relief for the debtor and secondly the maintenance unimpaired of the security that the creditor has for the money advanced by him. Government fully recognise that any hasty step might result in irretrievable harm to the credit structure of the State. Under modern conditions the economic life of the State mainly depends on an elaborate and delicate mechanism of credit. In the interest of the State itself and the economic structure of society this credit mechanism should be left undisturbed. I have no doubt that Hon'ble Members will realise on a perusal of the Proclamation that while it gives a temporary but much needed relief to the debtor, it affords ample protection to the creditor as well. Government hope that before the expiry of the period of six months during which the Proclamation will be in operation the Land Mortgage Bank will become an accomplished fact and offer relief of a more permanent and enduring nature.

Schemes for Development.

12. I shall now say a few words relating to the schemes of development which Government have in view. The Government

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Potteries have been considerably extended and Hon'ble Members are aware that it is now in charge of an expert in this line. It is proposed not merely to increase the output, but to reorganise the sales machinery on a more extensive basis. This concern was started by Government with a view to promote this industry and it is but reasonable to expect that the concern must be made to work on a commercial sale. The present system under which the accounts relating to the Potteries are merged in the figures of the general budget renders it extremely difficult to find out how the concern is working. With a view to rectify this defect and with a view to enable Government and the public to understand whether the Potteries are working at a profit or loss it has now been decided to get the accounts relating to the Potteries on a commercial basis.

13. The conversion of the Shoranur-Cochin Railway into broad gauge has resulted in releasing a considerable quantity of railway material forming part of the old metre gauge system. Advantage was taken of the availability of this second-hand material to renew a considerable part of the tramway tract. Hon'ble Members will understand from the budget the total expenditure proposed under this item. The renewal with these materials has enabled us to undertake the work at a very much cheaper cost than it would be if the tract were to be renewed with entirely new material.

14. Government have been examining for some time past the possibility of supplying electricity to the State. As an amenity in modern life and as a necessary requisite for industrial development electricity has come to occupy an important place in all schemes of development undertaken by any Government. The neighbouring territories of British India are already supplied with power from the Pykara Hydro-Electric Works; the sister State of Travancore will shortly have her own Hydro-Electric Project. We would therefore find ourselves very soon hemmed in by territories enjoying all the advantages of cheap and plentiful electric supply. It has now therefore become a matter of imperative necessity that our State must immediately arrange for similar supplies to the industrial and other needs of Cochin. If we fail to meet this demand the natural result would be for industries to migrate to bordering territories having cheap electric supply. Some years back a Hydro-Electric Scheme to harness the fall of the Chalakudy River at Poringalkuttu was examined. Estimates have been prepared and the technical details have been checked by a reputed firm of Engineers in London. The scheme is expected to involve a capital outlay of over Rs. 70 lakhs. The interest on the capital outlay, the annual maintenance, operation and depreciation charges on this scheme will come to over Rs. 7½ lakhs per year

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Unless we can be sure of realising an annual revenue equal to this amount within the first few years, it would be a costly burden on the resources of the State. On a careful examination of the problem I feel that it will be rash to undertake a scheme of this magnitude at this stage especially in view of the fact that we have commitments to the extent of Rs. 35 lakhs in connection with the Fourth Stage of the Harbour Works. I have therefore come to the conclusion that before starting on this venture it would be a wise policy to generate electricity from thermal stations at convenient centres in the State. The capital cost involved in the scheme will not impose a heavy burden on the State and the scheme will have the additional advantage of creating a demand for electricity which might enable us later on to judge whether a Hydro-Electric Scheme would be feasible. Hon'ble Members' attention might have been drawn to the Gazette notification that was recently issued on this subject. It is the intention of Government that if other agencies are prepared to invest the capital and to undertake the work on reasonable terms, Government would be prepared to encourage such enterprise.

The Harbour.

15. The most outstanding scheme of development on which Government have been engaged for some time is the development of the Cochin Harbour. I find that there is a considerable amount of misconception about various matters connected with the development of the Harbour. This may probably be due to the fact that no information on a comprehensive scale has so far been made available to the public of Cochin. Even though, for some reasons, questions relating to the Harbour are amongst the subjects excluded from the purview of the Legislative Council, I do not see any objection to lay bare before the Legislature of the country all the facts relating to this question ; in fact it would help us in arriving at a solution if Government have behind them the public opinion of Cochin based upon a correct appreciation of all the facts relating to the question. I therefore propose to lay before the Council to-day a concise but comprehensive review of the various stages relating to the development of the Harbour.

16. The idea of improving the Cochin Harbour first took definite shape in the year 1919 when Lord Willingdon was Governor of Madras. The final agreement for the development of the Harbour was concluded only in 1925 though the works were in progress in the meanwhile. The parties to the agreement of 1925 commonly referred to as the "Four Party Agreement" are the Government of India, the Government of Madras and the Darbars of Cochin and Travancore. Under the terms of this agreement

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the development of the Harbour was divided into four stages: (*a*) protective works and investigation; (*b*) cutting a channel across the bar at the entrance to the Harbour; (*c*) dredging and reclamation inside the backwaters to enable ocean-going steamers regularly to enter the bar and discharge at moorings inside the backwater, and (*d*) all further works that may be necessary for the conversion of the Harbour into a really important Port. The cost of the first, second and fourth stages is to be shared equally between the Governments of Madras, Cochin and Travancore. The cost of the first stage is about Rs. 2,30,000 and that of the second stage nearly Rs. 9 lakhs. Cochin Government have already paid one-third of this amount, *i. e.*, over Rs. 3,76,000. The first part of the fourth stage works is estimated to cost over Rs. 91,00,000 and Cochin has to contribute towards this expenditure Rs. 30 lakhs spread over a period of three years. The expenditure on the third stage was met partly by the Harbour Authority out of its revenues and partly from loans advanced by the Madras Government. The total expenditure on the third stage is about Rs. 83,00,000. Out of this amount the Cochin Government have paid Rs. 37,86,000 in the shape of value of the reclamation area of 250 acres. It will thus be seen that the Cochin Government have so far spent an amount of Rs. 41½ lakhs for the development of the Harbour.

17. The conversion of the Shoranur-Ernakulam Railway into broad gauge was also a part of the works in connection with the Harbour which had to be completed exclusively at the cost of the Cochin Government. We have so far spent about Rs. 76 lakhs on this account. It would thus be seen that on works connected with the Harbour the Cochin Government have so far spent Rs. 117½ lakhs and that we have still a commitment for over Rs. 30 lakhs when the fourth stage is taken up. When the fourth stage works are completed, the share of the Cochin's burden in the capital expenditure will be very nearly 1½ crores of rupees. I hope this gives a clear idea of the financial burdens undertaken by Cochin on account of this scheme. The third stage of the development of the Harbour was completed in 1931 and the Government of India have ruled that from the first of April 1931 it became the regular practice for ocean-going steamers to enter the bar. The division of the net customs revenue of the Port into three shares between the Government of India and the two Darbars came into operation from that date.

18. The negotiations that are now going on among the parties concerned relate to the starting of the works comprised in the fourth stage. This final stage of the development of the Harbour includes the provision of wharves, jetties, warehouses and other mechanical equipment for dealing with cargo and traffic, the extension of the

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railway line across the backwater into the reclamation area, the construction of a combined road and rail bridge connecting the mainland of Ernakulam and the Vendurutti Island and another road bridge connecting the mainland of Mattancherry with the Vendurutti reclamation. The third stage of the development of the Harbour having been finished in April 1931, the fourth stage works should have commenced immediately after that date, as the agreement does not contemplate any break between any of the stages of the development of the Harbour, but regards the whole project as a continuous work. The estimates and designs for the first part of the fourth stage have been approved by an Expert Committee of Engineers in London. In spite of this the work has not yet been undertaken. It was pointed out that the conversion of the railway into broad gauge was a necessary condition precedent for the successful completion of the fourth stage works. The Cochin Government on its part immediately took steps to convert the railway line into broad gauge so that there remains nothing which we on our part have to fulfil for the starting of the works. The Government of India however have not yet accorded their sanction and they raised two objections: (1) It was contended that the increase in the customs revenue of the Port of Cochin was largely due to the diversion of trade from British Indian Ports and that therefore the Government of India wanted a revision so far as they were concerned of the arrangements regarding the division of the customs revenue. This point was stressed to be of vital significance to them especially in view of the future constitutional changes and the general scheme of federal finance under which customs would be a very important source of federal revenue. (2) The Government of India also observed that the difficulties arising out of a divided jurisdi tion within the limits of the Harbour were not favourable to the best interests of the development of the Port. A Conference was therefore called of all the parties to discuss these two aspects before deciding on further development. A Conference for this purpose was accordingly held in Simla in June 1934 at which the Right Hon'ble Sir Tej Bahadur Sapru acted as the Counsel for Cochin. In view of the position taken up by the Government of India two courses were open to the Darbar to take: (1) to take their stand upon the Government's legal rights which in their opinion had been secured to them under the agreement or (2) without prejudice to their rights, to explore avenues for a satisfactory settlement of this vexed question in a manner which would afford some sort of guarantee to all the parties financially interested in the development of the Harbour. The first course would obviously involve interminable delay not to speak of further heavy expenditure with an inherent risk of doubtful decision. The second course was therefore considered to be the more prudent one

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to be adopted in the circumstances of the case. The Cochin Government were therefore prepared to explore avenues for the satisfactory solution of these two problems. No definite conclusions were however arrived at at the Simla Conference and it was thought that the representatives of the different Governments must have an opportunity of considering in detail the various problems which had been raised.

19. The next Conference was held in Delhi in November, 1934. The difficulties which the Government of India felt in the matter of the allocation of the customs revenues were taken up for examination and tentative conclusions were arrived at of which the public are already aware. The gist of these conclusions is that Cochin is to receive one-third of the customs revenue up to a maximum of Rs. 63 lakhs and 10 % of all excess over Rs. 63 lakhs: Travancore is to receive one-third of the customs revenue up to a maximum of Rs. 49½ lakhs and 6 % of all excess over Rs. 63 lakhs. It was made perfectly clear that this arrangement is subject to the condition that a satisfactory solution of the question of the administration of the Portarea would also be arrived at between the parties. In the absence of any such solution this tentative arrangement will have no validity. Competent authorities have held that this tentative agreement relating to the division of the customs revenue is the best that could have been secured in the interests of the State, having special regard to its position as a Maritime state under the future Federal Constitution.

20. From the account that I have given so far Hon'ble Members will realise that the only outstanding question that now remains is the question of administration of the Port area. A scheme was prepared by Sir Tej Bahadur Sapru which obviates the necessity for any cessation of jurisdiction by the Cochin Government and at the same time provides for joint administration of the area by both Governments territorially interested in the development of the Harbour. Consistently with the policy that the Cochin Government have maintained from the very beginning regarding the cessation of jurisdiction, we could not offer a better solution. The scheme is now before the Government of India and the Madras Government and we expect that the consideration of this scheme at the next Conference would lead to definite and satisfactory conclusions. The Hon'ble Sir Muhammad Zafrullakhan, Commerce Member of the Government of India, is visiting the State on the 3rd of August to inspect the Harbour works and I hope that his personal inspection will enable him to appreciate the standpoint of the Cochin Government. The prosecution of the fourth stage is a matter of vital importance to the Cochin Government. There has not been a proper appreciation of the financial

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loss which the Cochin Government is already bearing as a result of the delay in the execution of the fourth stage. I referred in an earlier part of my speech to the fact that the Cochin Government have so far spent Rs. 117½ lakhs, either directly or indirectly, on captial works of the Harbour. This no doubt includes the expenditure on Railway conversion which is an integral part of the Harbour scheme. Apart from the increase in revenue which we have a right to expect, we ought to be getting by way of interest alone on the capital invested so far, an annual income of nearly six lakhs of rupees calculated at 5%. As against this what we are actually getting to-day is only Rs. 75,000 per year being the rental paid by the Harbour Authority on the value of 100 acres of the reclamation area reserved under the agreement for Harbour purposes. We have no doubt to take into consideration the increase in customs revenue and the probable increase in railway earnings. Even taking these factors into consideration it still remains that unless the fourth stage works are completed the Government of Cochin will be shouldering a heavy financial loss. I hope that what I have said relating to the Harbour gives a comprehensive picture of the successive stages of this question.

21. I would like to avail myself of this opportunity to clear a misconception which I find is prevailing in the public mind. I have heard the criticism that the Government of Cochin have raised a loan of Rs. 75 lakhs on which they are paying interest at 5% and which they have invested on an interest of 2 to 2½%. This criticism is based upon an entire misapprehension of the whole situation. Government raised a loan of Rs. 75 lakhs for Harbour purposes including the Railway conversion. The entire amount of Rs. 75 lakhs thus raised has been spent on the Railway conversion; in fact as I pointed out the total expenditure on this item up to date is Rs. 76 lakhs. In addition to spending the whole of the borrowed capital, Government have spent an additional sum of Rs. 41 lakhs on reclamation and other works connected with the Harbour which they have drawn from the accumulated cash balance of the State. I hope that this explanation relating to the loan transaction will give a clear idea of the whole situation. This concludes what I have to say on the Harbour works.

Constitution of Advisory Committees.

22. I shall now pass on to another matter of great interest to Hon'ble Members. It has already been brought to my notice that the public expect some step in the direction of further constitutional reforms. I, at any rate, have not been long enough in the State to venture any categorical opinion on this subject. On a

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study of the structure of the various parts of the constitution of the State I have felt that the time has now come when the representatives of the people should have opportunities of coming into closer contact with the details of the administrative machinery. I know from my own personal experience that an insight into the working of the administration dispels many wrong notions and tempers irresponsible criticism. The Legislative Council no doubt offers us valuable criticism and advice; but the fact remains that the Hon'ble Members have now to form their opinions in their places outside the arena of practical administration. With a view to bring about a closer co-operation between departments and the non-official representatives, Government have decided to constitute four Standing Committees of this House. Each of these Committees will consist of three members, two to be elected by the non-official members of this House and one nominated by the Government. One Committee will be attached to each of the following departments:— (1) Education, (2) Medical and Public Health, (3) Agriculture, Co-operation, Panchayats and Depressed Classes and (4) Industries and Commerce including Forests and Fisheries. It will be observed that what are called the nation-building departments have been brought within the purview of the Standing Committees. The Committees will be advisory bodies, but it is hoped that their co-operation with the departments will give them an insight into practical administrative problems and also enable Government to get non-official advice and guidance. A Communique giving the details of the constitution of these Committees will be published shortly and I hope that the Legislative Council will take the fullest advantage of this measure.

Government of India Bill.

23. Having given this general review of the outstanding features of the administration of the State, I feel it my duty to say a few words in conclusion about a wider problem in which the Cochin State, along with the other Indian States, is now interested: I am referring to the coming of the Federal Scheme of Constitution in India. The Government of India Bill will be on the Statute Book within a few days: it is expected that the scheme of Provincial Autonomy contemplated in that bill will come into operation in the near future. The clauses relating to the Constitution of the Central Government on a federal basis are epoch-making in the history of India. What was regarded at one time as a remote possibility in the distant future, has now been brought within the realm of practical politics. Whatever be the difference of opinion amongst parties and individuals as to the ultimate form of Government suited to Indian conditions, no student of history can ignore the

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fact that self-government in the real sense for India is impossible and unthinkable without bringing in the Indian States into the constitutional structure. It is not for us to speculate whether the entry of the States into a federal scheme is advantageous to India or to the States or to both: what I want to emphasise is the hard fact that without the States, self-government cannot in any sense be a reality. If this position is granted it then follows that in spite of all the obstacles and all the disadvantages, the problem has to be faced at some time or other in the history of the country. In my opinion, the sooner it is faced the better it would be for the future of the country as a whole; the postponement of the consideration of the problem of federation is the postponement of the problem of self-government. Considered from this point of view, I am strongly convinced that the new Government of India Bill in envisaging the possibility of a federal scheme in the near future has hastened the process towords the realisation of self-government. The scheme is no doubt defective in many particulars; I have myself been a severe critic of many of the proposals on which the Bill was ultimately framed. Some critics have gone to the extent of saying that the Government of India Bill would create a situation which will be worse than what prevails under the existing system I do not propose to examine the validity of this criticism. Even assuming for the sake of argument that in certain material respects under the new order of things we will be worse off than under the existing system, the fact nevertheless remains that by making federation immediately possible, the Bill has paved the way for the attainment of real Swaraj. As a practical man I have no doubt in my mind that it is now futile to talk of refusing to work the new Constitution. The new Constitution is an accomplished fact and it remains for us, as representing the State of Cochin, to make up our mind whether it would be in the interests of our State to join the federation. Hon'ble Members are aware that the Cochin Government have kept themselves in touch with the successive stages of development of the constitutional problem from the very inception of the first Round Table Conference. When the Bill emerges in its final shape from the Parliament within the next few days, Government propose to examine the federal clauses from the point of view of the Cochin State and its position. It is not proper for me to anticipate the result of this examination which Government propose to undertake. I may however be permitted to state frankly that if I am convinced that the interests of Cochin would be adequately safeguarded, I would advise His Highness to enter the federation. I may assure Hon'ble Members that the most scrupulous care would be exercised to see that, if it is decided ultimately to join the federation, the vital interests of the State are amply safeguarded. I am fully alive to the fact that, with the development of the Harbour, Cochin will

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probably be the most important Maritime State in India. This would give Cochin a proud position in the scheme of things. With their high intellectual attainments and the standard of education and literacy that prevail in the State, the people of Cochin need have no apprehension about their fate, if they choose to throw in their lot with their countrymen; in fact a thickly populated State like Cochin with a highly educated population has everything to gain and nothing to lose when it becomes a member of the wider body politic. Such a membership will throw open to the sons and daughters of Cochin a wider avenue of service. If the federal scheme of Government contemplated in the Government of India Bill is worked by all the parties concerned in a spirit of goodwill and co-operation it will, in my opinion, ultimately lead to the establishment of a United India unknown through all the ages and vicissitudes through which our country has passed; and I hope that the people of Cochin will have opportunities of exercising their talents in the building up of this greater India.

QUESTIONS AND ANWERS.

Mr. President I find that the practice of answering questions is simply for Hon'ble Members to call out the number of the question and then immediately proceed to the asking of supplementary questions If it is the desire of the Hon'ble Members to continue that practice I have no objection. But the practice of the House of Commons and the Legislative Assembly is for the answer to be actually read out on the floor of the House by the Member of the Government concerned. That has got a distinct advantage. It makes other Hon'ble Members, besides those who have given notice of questions, to take interest in what the question is and understand the answer and it gives them an opportunity to put supplementary questions. So, if Hon'ble Members would like to introduce that practice what I propose to do is this: I will call out the name of the Hon'ble Member who has asked the question. The Hon'ble Member will get up and simply read out the number of the question and the Member of Government concerned will get up and read out the answer and then supplementry questions can be put. Will that suit Hon'ble Members?

Midwives—Public Health Department.

1. **Mr. T. A. Ramachandra Ayyar:**—Will the Government be pleased to state.—

(a) how many midwives have been entertained by the Director of Public Health;

(b) what are their duties;

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